Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136

Expires November 30, 2000

5. Lease Serial No. UTU-0581

APPLICATION FOR PERMIT TO	DRILL O	R REENTER		6. If Indian, Allottee or T	ribe Name	
1a. Type of Work: X DRILL REENTER				7. If Unit or CA Agreeme	ent, Name and No.	
	DIVI DIV			UNIT #891008900A		
				8. Lease Name and Well	No.	
b. Type of Well: Oil Well X Gas Well Other		Single Zone	Multiple Zone	NBU 921-30E		
2. Name of Operator KERR McGEE OIL & GAS ONSHORE LP				9. API Well No. 43-047-381		
3A. Address	1	lo. (include area co	de)	10. Field and Pool, or Exp		
1368 SOUTH 1200 EAST VERNAL, UT 84078	(435 <u>)</u> 781	1-7024		NATURAL BUTTES		
4. Location of Well (Report location clearly and in accordance with	h any State red	quirements.*) 40	,007924	11. Sec., T., R., M., or Bl	k, and Survey or Area	
At surface SWNW 2251'FNL, 798'FWL (LOT At proposed prod. Zone	4429	363 y 10	9.601572	SEC 30, T9S, R21E		
14. Distance in miles and direction from nearest town or post office	*			12. County or Parish	13. State	
11.45 MILES SOUTHEAST OF OURAY, UTAH				UINTAH	UTAH	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of a	Acres in lease	17. Spacing Unit d40.00	ledicated to this well		
18. Distance from proposed location* to nearest well, drilling, completed, REFER TO	10 Propose	ed Depth	20. BLM/BIA Bor	d No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO	10,090	•	CO-1203			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4847'GL	22. Approx	imate date work wi	ll start*	23. Estimated duration		
	24. <i>A</i>	Attachments			_	
The following, completed in accordance with the requirements of Or	shore Oil and	Gas Order No. 1, s	hall be attached to the	his form:		
1. Well plat certified by a registered surveyor.		4. Bond to co	ver the operations t	unless covered by an existing	bond on file (see	
2. A Drilling Plan.		Item 20 abo	ove).			
3. A Surface Use Plan (if the location is on National Forest System)	Lands, the	5. Operator ce	rtification.			
SUPO shall be filed with the appropriate Forest Service Office.		6. Such other s	-	tion and/or plans as may be re	quired by the	
25. Signature	l Na	me (Printed/Typed)		Date		
This million	1	IEILA UPCHE			5/9/2006	
Title						
REGULATORY ANALYST		(D : 1 // // 1)		1 _{D-1-}		
Approved by (Signatural)	Į ^{Na}	me (Printed/Typed) RRADI F		Date	5-77-06	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Title

Federal Approval of this Action is Necessary

OfficeNVIRONMENTAL MANAGER

RECEIVED

MAY 1 5 2006

DIV. OF OIL, GAS & MINING

T9S, R21E, S.L.B.&M. C.C. 1968 Brass Cap WEST - 2640.00' (G.L.O.) S89'32'34"W - 3033.36' (Meas.) 1960 Galv. Cap 1968 Brass Сар 2627.99' (Meas.) LOT 1 LOT 2 W., 12, 62.00N (G.L. NBU #921-30E 5280.00 Elev. Ungraded Ground = 4847 798°C 1968 Brass Cap, Pile of Stones -12 East of Cap 1968 Brass Cap, Pile of Stones N00.03, M West of Cap (Meas.)-LOT 3 2827.46' LINE TABLE BEARING LENGTH LINE NO0.28'34"W L1 N00'12'08"W 139.94 LOT 4 L2 N00'39'04"W 138.32 1968 Brass Cap L3 N00'32'28"W 338.32 1.0' High, Small Stones, Pipe, Set Marked Stone WEST - 5627.82' (G.L.O.) -L3 1968 Brass Cap. Pipe. Pile of Stones, Steel Post (NAD 83) LEGEND: LATITUDE = 40.00'28.82'' (40.008006) LONGITUDE = $109^{\circ}36'08.29''$ (109.602303) = 90° SYMBOL (NAD 27) = PROPOSED WELL HEAD. LATITUDE = 40.00'28.95'' (40.008042) LONGITUDE = $109^{\circ}36'05.80"$ (109.601611) = SECTION CORNERS LOCATED.

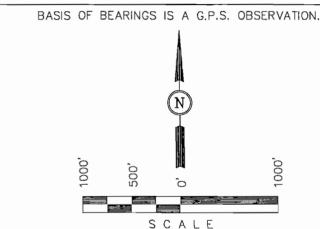
Kerr McGee Oil & Gas Onshore LP

Well location, NBU #921-30E, located as shown in the LOT 2 of Section 30, T9S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS



THIS IS TO CERTIFY THAT THE ABOVE PLAND FIELD NOTES OF ACTUAL SURVEYS PAPE BY ME OR UNDER SUPERVISION AND THAT THE SAME ARE THE AND CONTROL OF THE SAME ARE THE AND CONTROL OF THE SAME ARE THE AND CONTROL OF THE SAME ARE THE SAME AND CONTROL OF THE SAME AND CONTROL OF THE SAME ARE THE SAME AND CONTROL OF THE SAME ARE THE SAME AND CONTROL OF THE SAME ARE THE SAME AND CONTROL OF THE SAME AN BEST OF MY KNOWLEDGE AND BE

REVISED: 03-31-06 C.H.

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017

	(/		
SCALE		DATE SURVEYED:	DATE DRAWN:
1" = 1000'		02-23-06	03-02-06
PARTY		REFERENCES	<u>-</u>
A.F. L.G.	S.L.	G.L.O. PLAT	•
WEATHER	FILE		
HOT	Kerr Mc	Gee Oil & Gas O	nshore LP

NBU #921-30E SW/NW Lot 2, Sec. 30, T9S,R21E UINTAH COUNTY, UTAH UTU-0581

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1698'
Top of Birds Nest Water	1806'
Mahogany	2500'
Wasatch	4945'
Mesaverde	8039'
MVU2	8849'
MVL1	9533'
TD	10090'

2. <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:</u>

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	1698'
Water	Top of Birds Nest Water	1806'
	Mahogany	2500'
Gas	Wasatch	4945'
Gas	Mesaverde	8039'
Gas	MVU2	8849'
Gas	MVL1	9533'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 10090' TD, approximately equals 6256 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4036 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

Please see Natural Buttes Unit SOP.

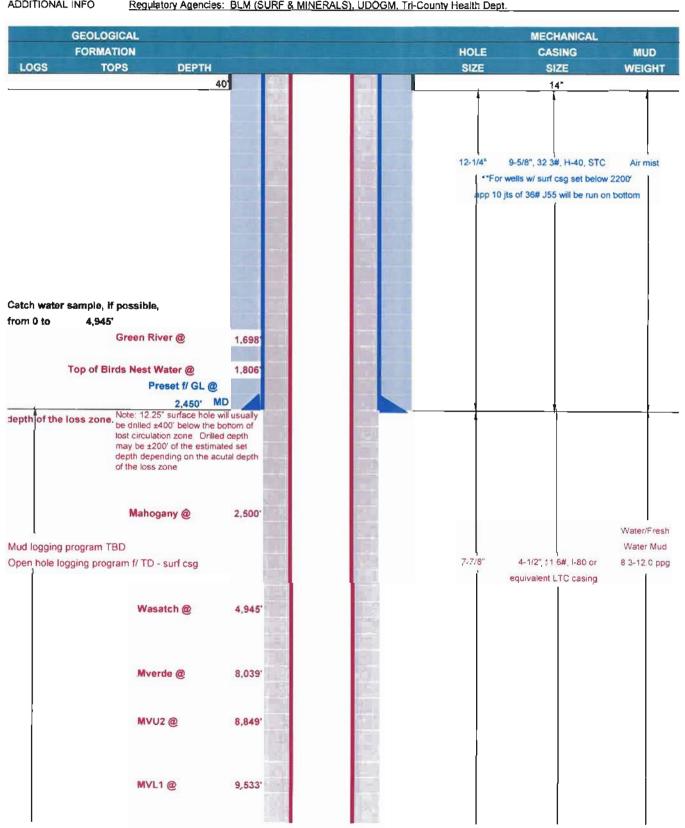
10. Other Information:

Please see Natural Buttes Unit SOP.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

			<i>:</i>			
COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	May 22, 2006	3		
WELL NAME	NBU 921-30E	TD	10,090' MD	מעתכ		
FIELD Natural Butt	es COUNTY Uintah STATE	Utah EL	EVATION	4,847'GL _	KI	B 4,862'
SURFACE LOCATION	SWNW (LOT 2), SECTION 30, T9S, R21E 2251	'FNL, 798'FWL			BHL	Straight Hole
	Latitude: 40.008006 Longitude: 109	9.602303				
OBJECTIVE ZONE(S)	Wasatch/Mesaverde					
ADDITIONAL INFO	Regulatory Agencies: BLM (SURF & MINERALS	S), UDOGM, Tri-Count	y Health Dept.			_





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

								DESIGN FACTORS		
	SIZE	I.	ITERV	AL .	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40'							
								2270	1370	254000
SURFACE	9-5/8"	0	to	2050	32.30	H-40	STC	0.56*	1.43	3.67
								3520	2020	564000
	9-5/8"	2050	to	2450	36.00	J-55	STC	1.08*	1.76	8.14
								7780	6350	201000
PRODUCTION	4-1/2"	0	to	10090	11.60	1-80	LTC	1.91	1.01	1.97

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD =

12.0 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP

Burst SF is low but csg is stronger than formation at EMW @

2450 feet

2450 for 2270# is

17.8 ppg or 0.9 psi/ft

CEMENT PROGRAM

	I	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ .25 pps flocele				
	TOP OUT CMT (1)	250	20 gals sodium silicate + Premium cmt	100		15.60	1.18
			+ 2% CaCl + .25 pps flocele	4.50		41.	
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			NOTE: If well will circulate water to surface	e, option	2 will be util	izeď	
Option 2	LEAD	2000	Prem cmt + 16% Gel + 10 pps gilsonite	230	35%	11.00	3.82
		4000	+.25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		1	+ .25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	N LEAD	4,440"	Premium Lite II + 3% KCI + 0.25 pps	490	60%	11.00	3.38
			celloflake + 5 pps gilsonite + 10% gel				
			+ 0.5% extender				
	TAIL	5,650'	50/50 Poz/G + 10% salt + 2% gel	1580	60%	14.30	1.31
			+.1% R-3				

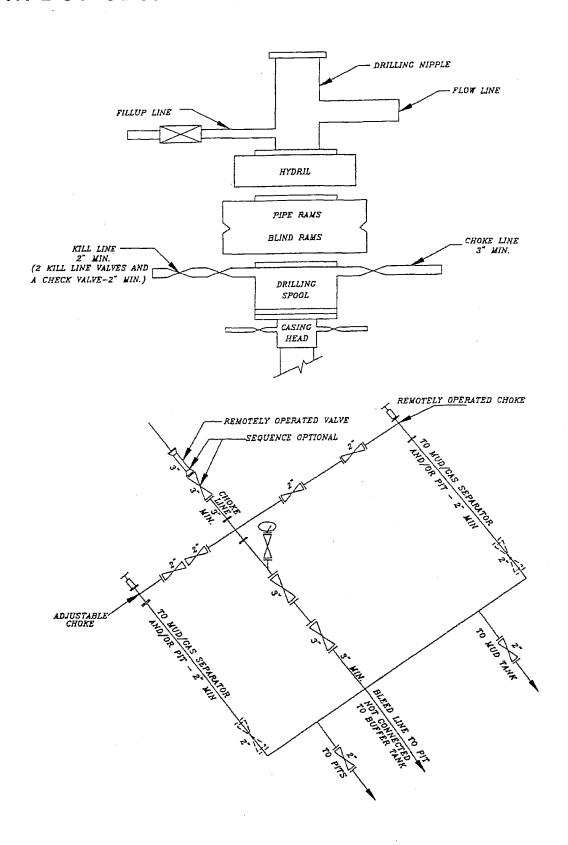
^{*}Substitute caliper hole volume plus 0% excess for LEAD it accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe. Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow **PRODUCTION** spring centralizers.

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU #921-30E SWNW Lot 2, SEC 30-T9S-R21E UINTAH COUNTY, UTAH UTU-0581

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

A rights-of-way, will be needed for the access road. Approximately 0.25 +/- miles of new access road is proposed, from the NBU 920-25H well location. Refer to Topo Map B.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipeline.

Variances to Best Management Practices (BMPs) Requested:

A rights-of-way will be needed for the pipelines. Approximately 2700' of 6" steel pipeline will be installed from the location going west to tie-in at the proposed pipeline for the NBU 920-25A well location. Approximately 1400' of 4" steel pipeline will be installed from the proposed location to tie-in at the proposed pipeline for the NBU 920-25H. The pipeline shall be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within theaccess road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. Source of Construction Materials:

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (Request is in lieu of filing Form 3160-5, after initial production).

8. Ancillary Facilities:

Please see the Natural Buttes SOP.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A 20 mil reserve pit liner with felt will be used. As discussed at the on-site inspection.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be resurveyed and a form 3160-5 will be submitted.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes SOP.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Crested Wheat Grass 4 lbs.
Indian Rice Grass 4 lbs.
Needle and Thread Grass 4 lbs.

Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435)781-4400

12. Other Information:

A Class III Archaeological Survey and Paleontological Reconnaissance Report has been performed and will be submitted when reports become available

WILDLIFE STIPS:

ANTELOPE: - No Construction or Drilling May 15th – June 20th.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. <u>Lessee's or Operator's Representative & Certification:</u>

Sheila Ucphego Regulatory Analyst Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7024 Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bold #2971100-2533.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego 5/9/2006
Date

Kerr-McGee Oil & Gas Onshore LP NBU #921-30E SECTION 30, T9S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE PROPOSED ACCESS ROAD FOR THE FEDERAL #920-25A TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE PROPOSED ACCESS ROAD FOR THE FEDERAL #920-25H; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED FEDERAL #920-25H LOCATION AND THE PROPOSED ACCESS ROAD TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 42.45 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #921-30E LOCATED IN UINTAH COUNTY, UTAH **SECTION 30, T9S, R21E, S.L.B.&M.**

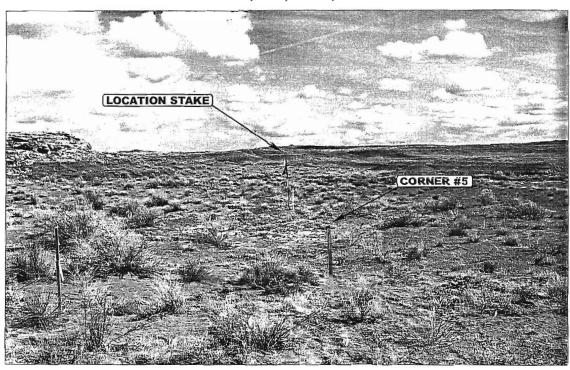


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

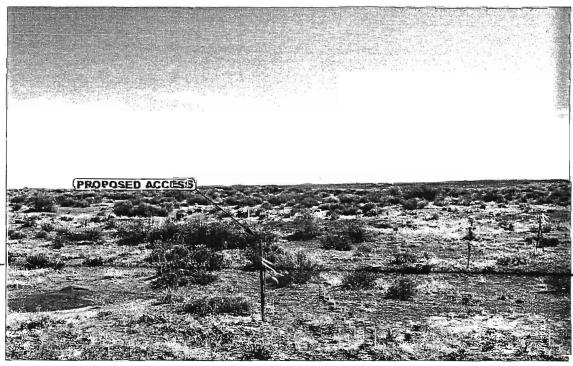


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



Uintah Engineering & Land Surveying S South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

MONTH DAY YEAR TAKEN BY: D.K. DRAWN BY: LDK REVISED: 04-03-06

РНОТО

Kerr-McGee Oil & Gas Onshore LP

NBU #921-30E PIPELINE ALIGNMENT LOCATED IN UINTAH COUNTY, UTAH SECTION 30, T9S, R21E, S.L.B.&M.

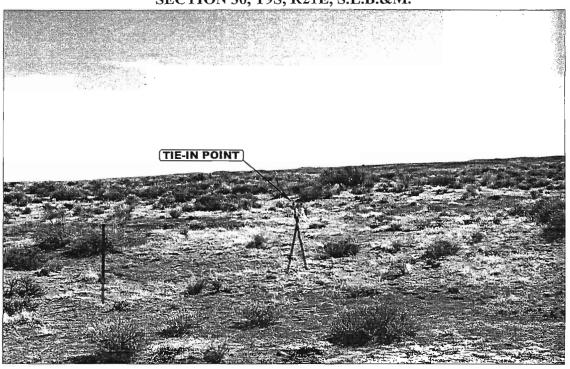


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: SOUTHEASTERLY

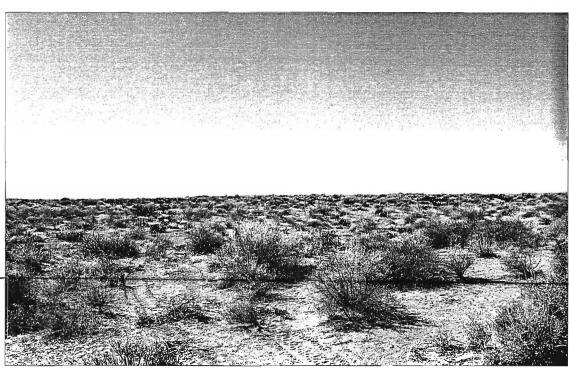


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHWESTERLY



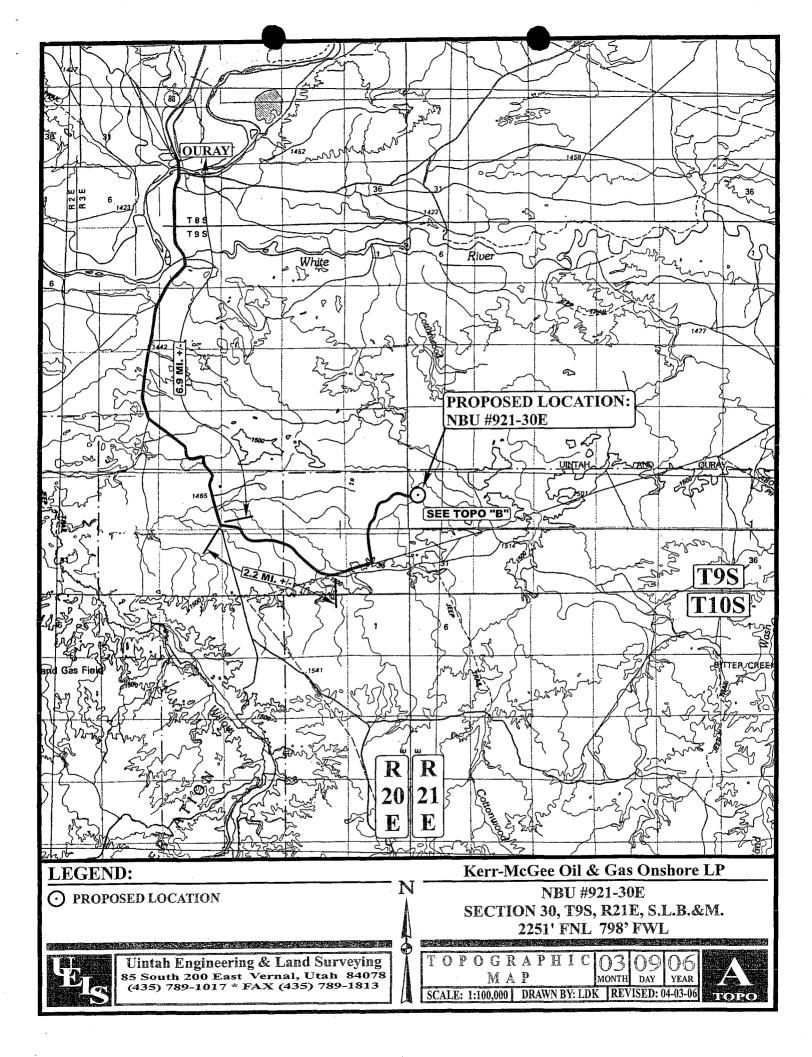
Uintah Engineering & Land Surveying S South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

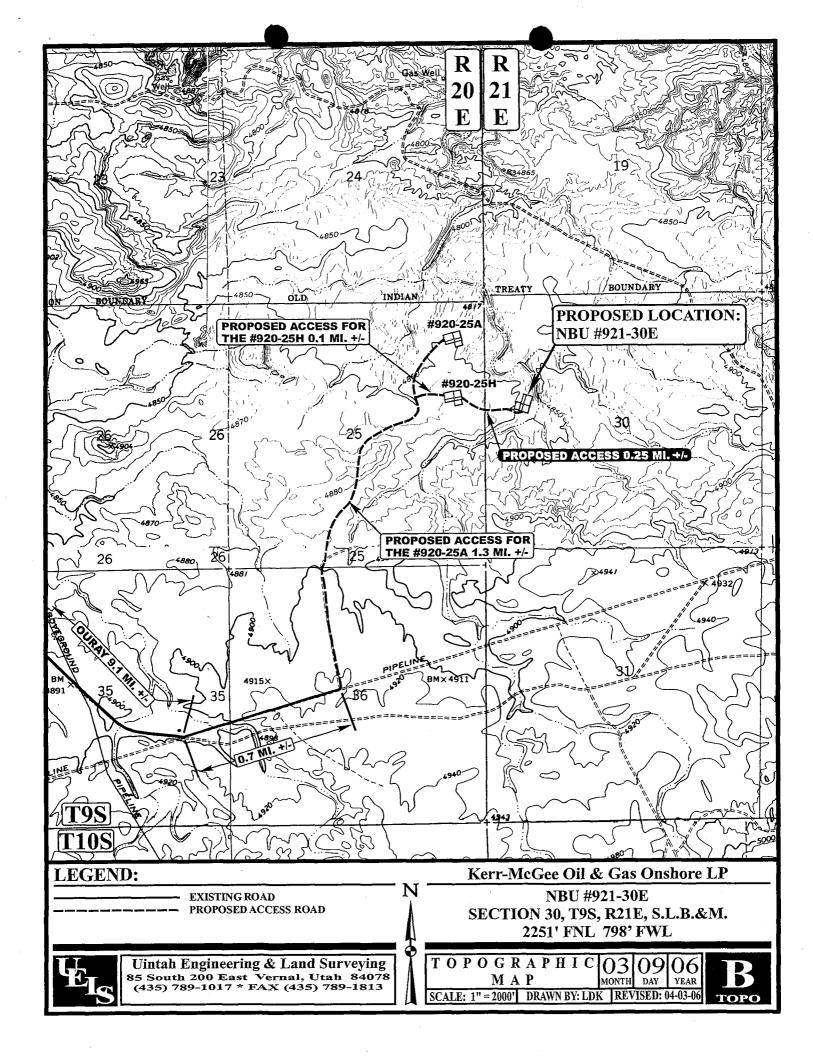
PIPELINE PHOTOS

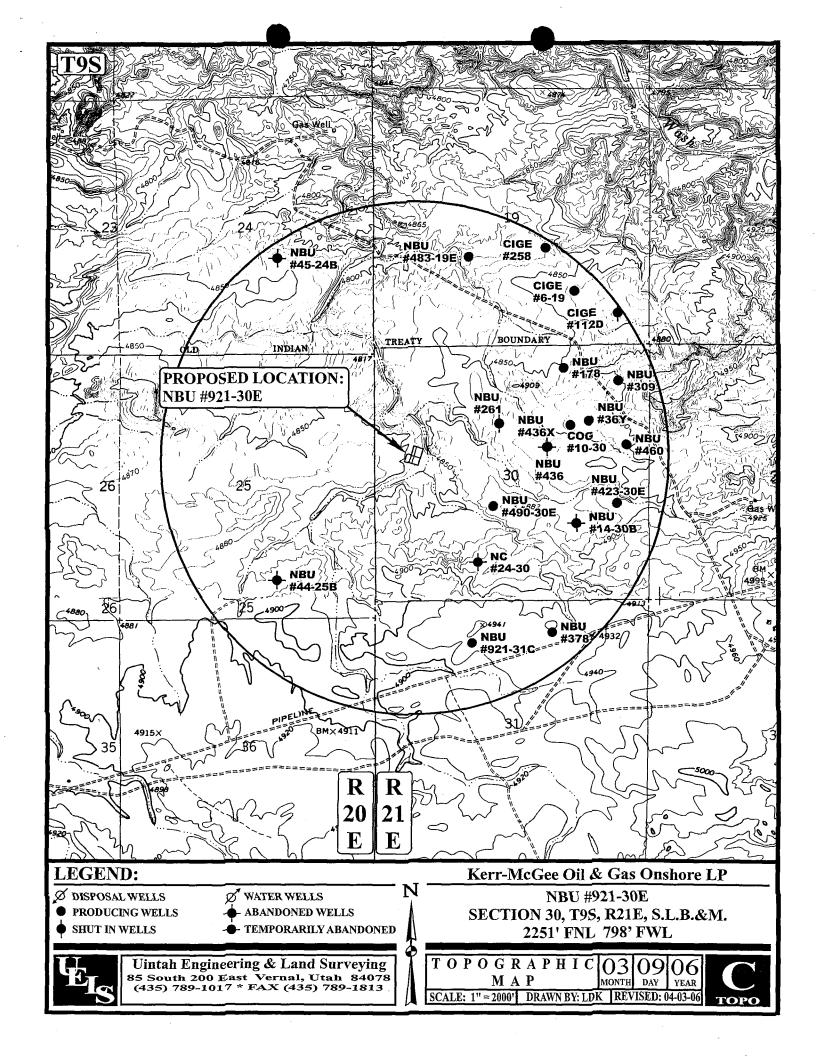
03 09 06 MONTH DAY YEAR

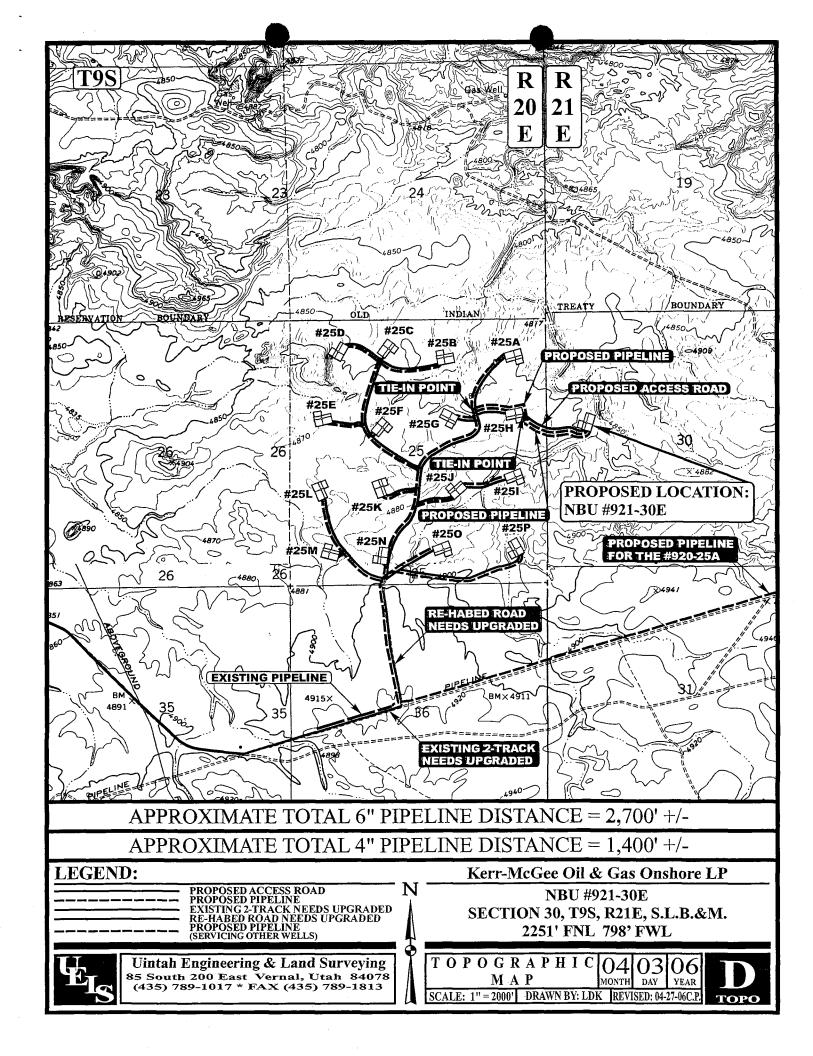
РНОТО

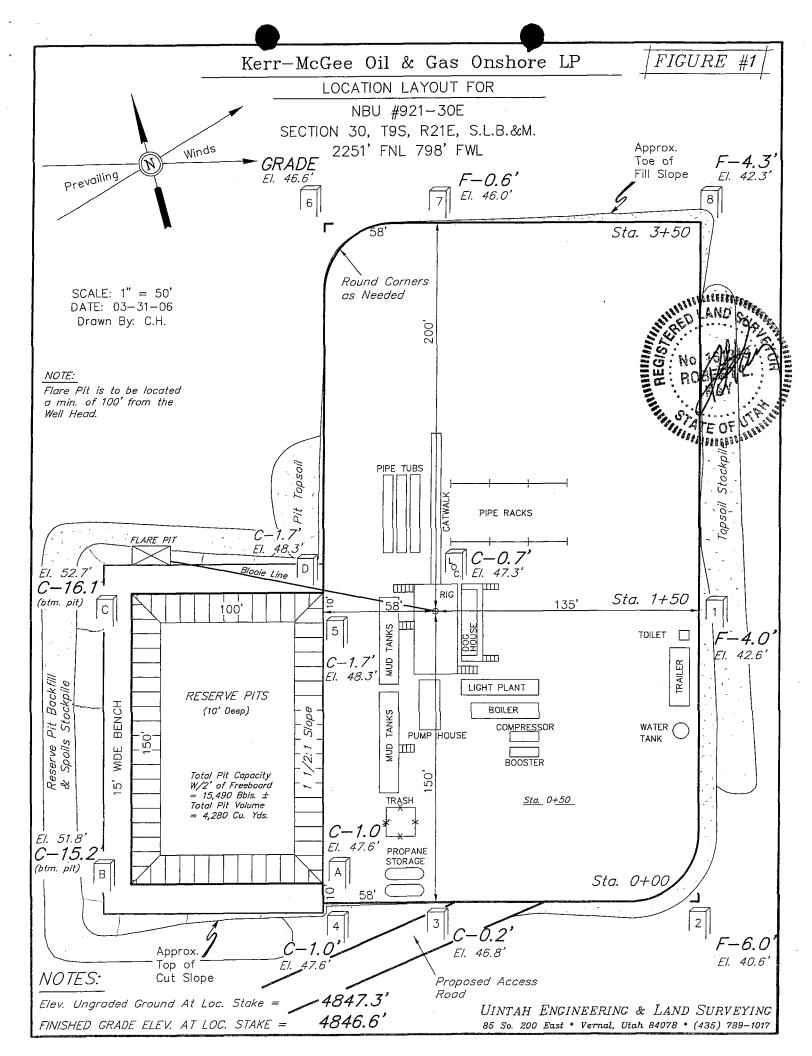
TAKEN BY: D.K. | DRAWN BY: LDK | REVISED: 04-03-06

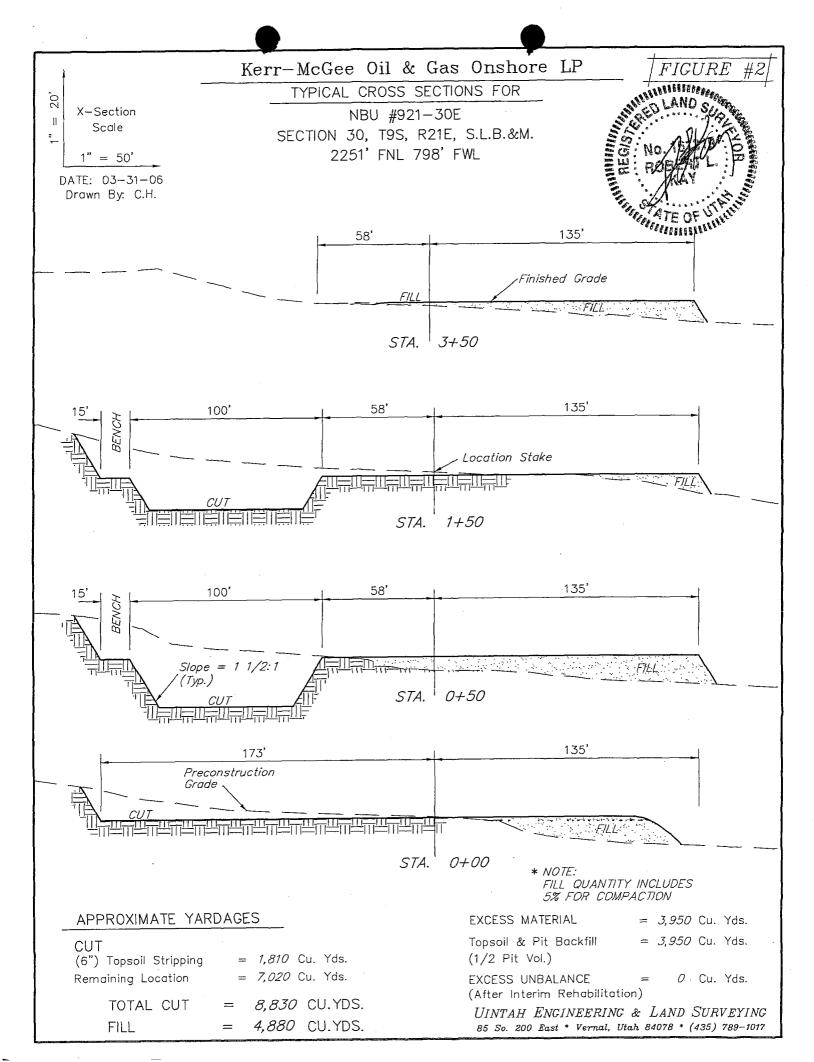




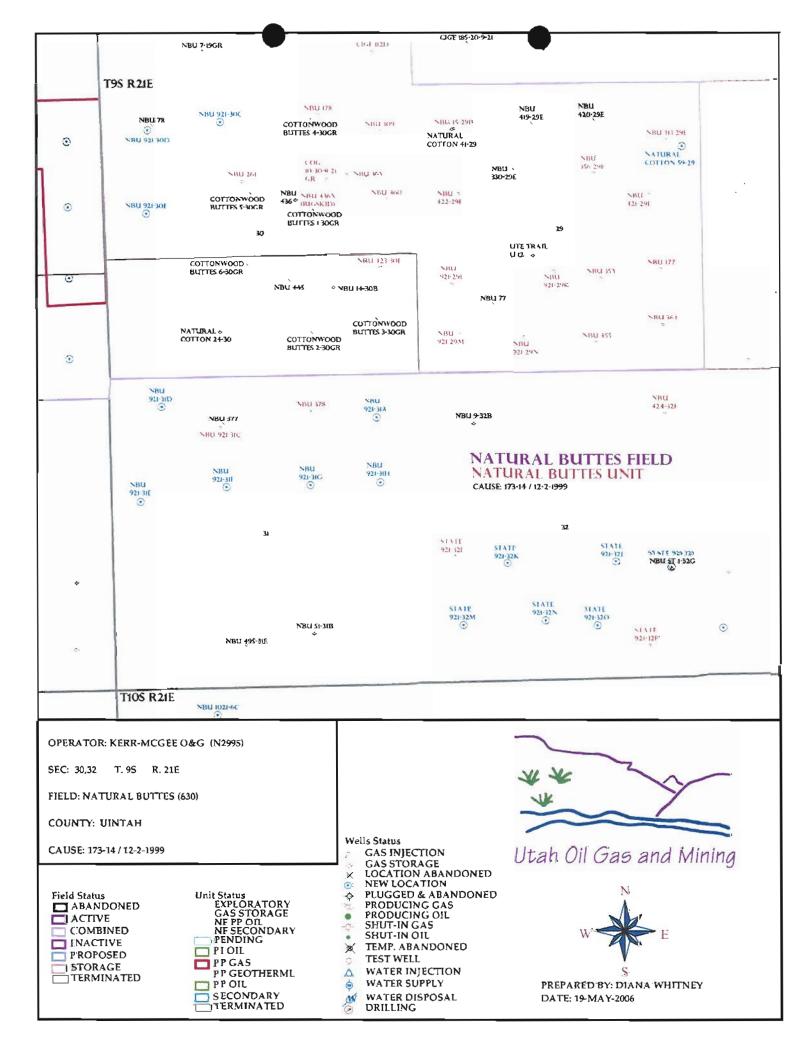








APD RECEIVED: 05/15/2006	API NO. ASSIGNED: 43-047-38108
WELL NAME: NBU 921-30E OPERATOR: KERR-MCGEE OIL & GAS (N2995) CONTACT: SHEILA UPCHEGO	PHONE NUMBER: 435-781-7024
PROPOSED LOCATION: SWNW 30 090S 210E SURFACE: 2251 FNL 0798 FWL BOTTOM: 2251 FNL 0798 FWL COUNTY: UINTAH LATITUDE: 40.00792 LONGITUDE: -109.6016 UTM SURF EASTINGS: 619361 NORTHINGS: 44293 FIELD NAME: NATURAL BUTTES (630 LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-0581 SURFACE OWNER: 1 - Federal	
Plat Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. CO-1203) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) RDCC Review (Y/N) (Date:) Mater Fee Surf Agreement (Y/N) Intent to Commingle (Y/N)	LOCATION AND SITING: R649-2-3. Unit: NATURAL BUTTES R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No:
Sop, Secret. S STIPULATIONS: 1- Leder Ohpprox 7- Oil Since	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

May 19, 2006

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2006 Plan of Development Natural Buttes Unit Uintah

County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Wasatch-MesaVerde)

43-047-38100 NBU 921-25A Sec 25 T09 R21E 0493 FNL 0557 FEL 43-047-38092 NBU 921-25P Sec 25 T09 R21E 0475 FSL 0742 FEL 43-047-38105 NBU 921-35J Sec 35 T09 R21E 1454 FSL 1481 FEL 43-047-38108 NBU 921-30E Sec 30 T09 R21E 2251 FNL 0798 FWL 43-047-38107 NBU 921-30C Sec 30 T09 R21E 0629 FNL 2189 FWL 43-047-38109 NBU 1021-10P Sec 10 T10 R21E 0377 FSL 0559 FEL 43-047-38106 NBU 922-32K2 Sec 32 T09 R22E 2508 FSL 1724 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc:

File - Natural Buttes Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > May 22, 2006

Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078

Re: Natural Buttes Unit 921-30E Well, 2251' FNL, 798' FWL, SW NW, Sec. 30,

T. 9 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38108.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:	Kerr-McGee Oi	l & Gas Onshore, LP	
Well Name & Number	Jnit 921-30E		
API Number:	43-047-38108		
Lease:	<u>UTU</u> -0581		
Location: SW NW	Sec. 30	T. 9 South	R. _21_East_

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
- 5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > November 8, 2006

Sheila Upchego Westport Resources Corp. 1368 South 1200 East Vernal UT 84078

Re: <u>APD Rescinded –NBU 921-30E Sec. 30 T. 9S R. 21E</u>

Uintah County, Utah API No. 43-047-38108

Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 22, 2006. On November 7, 2006, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 7, 2006.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal